

Message Text

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OPIC-12 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01 OIC-04

STR-08 AGR-20 SCEM-02 SCI-06 SS-15 NSC-10 L-03 PA-03

PRS-01 USIA-12 RSR-01 TAR-02 /214 W

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R 241638 Z MAY 73

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TAGS: EGEN, OECD

SUBJ: OECD MINISTERIAL COUNCIL JUNE 6-8: TEXT OF DRAFT COMMUNIQUE

REF: CES/73.43

1. FOLLOWING IS TEXT OF DRAFT MINISTERIAL COMMUNIQUE
CIRCULATED BY SECGEN TODAY WITH REQUEST FOR COMMENTS FROM
DELEGATIONS. EXECUTIVE COMMITTEE SCHEDULED DISCUSS DRAFT
MONDAY, MAY 28.

2. BEGIN TEXT.

1. THE COUNCIL OF THE OECD MET AT MINISTERIAL LEVEL
IN PARIS ON 6, 7, AND 8 JUNE 1973, JUNDER THE
CHAIRMANSHIP OF MR GREGORIO LOPEZ BRAVO, MINISTER OF
FOREIGN AFFAIRS OF SPAIN. MINISTER WELCOMED THE ACCESSION
OF NEW ZEALAND TO THE CONVENTION ON THE ORGANIZATION,
WHICH TOOK PLACE ON ----- MAY.

THE INTERNATIONAL ECONOMIC SITUATION.

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2. MINISTERS WELCOMED THE RETURN TO HIGH EMPLOYMENT IN VIRTUALLY ALL OECD COUNTRIES. THE RECOGNIZED, HOWEVER, THAT INFLATIONARY FORCES HAVE REASSERTED THEMSELVES STRONGLY. THE RATE AT WHICH PRICES ARE RISING, AND THE SPEED WITH WHICH INFLATION IS COMMUNICATING ITSELF ACROSS FRONTIERS, IS AN INTERNATIONAL PROBLEM WHICH CALLS FOR AN INTERNATIONAL APPROACH. MINISTERS STRESSED THAT THEIR GOVERNMENTS ACCORD HIGHEST PRIORITY TO REDUCTION OF THE RATE OF PRICE RISE, WILL PROMPTLY TAKE ANY STEPS THAT MAY BECOME NECESSARY TO PREVENT THE EMERGENCE OF EXCESSIVE DEMAND, AND WILL AS APPROPRIATE PURSUE VIGOROUS ANTI- INFLATIONARY MEASURES IN OTHER FIELDS.

3. MINISTERS DIRECTED THE ORGANIZATION TO CONTINUE TO EXAMINE THE FACTORS UNDERLYING INFLATION, AND TO ENCOURAGE THE TIMELY ADOPTION, IN ALL COUNTRIES, OF THE POLICIES NEEDED TO CONTROL THEM.

4. IN CONSIDERING THE PROSPECTS FOR INTERNATIONAL PAYMENTS, MINISTERS AGREED THAT THE EXCHANGE RATE RELATIONSHIP PREVAILING ARE NOW GENERALLY APPROPRIATE FOR ACHIEVEMENT OF A MORE SATISFACTORY PATTERN OF BALANCES ON CURRENT ACCOUNT, AND EXPRESSED THE RESOLVE OF THEIR GOVERNMENTS TO FOLLOW INTERNAL AND EXTERNAL POLICIES NECESSARY TO THIS END. MEMBER GOVERNMENTS WILL REMAIN IN CLOSE CONSULTATION ON THE INTERNAL AND EXTERNAL MONETARY CONDITIONS REQUIRED TO ENSURE ORDERLY EXCHANGE MARKET CONDITIONS WHILE THE MAJOR PAYMENTS IMBALANCES ARE BEING ADJUSTED. THIS WILL HELP TO PRESERVE THE PRESENT FREEDOM OF INTERNATIONAL TRANSACTIONS AND LAY THE FOUNDATIONS FOR ITS SUBSEQUENT INCREASE.

INTERNATIONAL MONETARY AND TRADE NEGOTIATIONS AND INVESTMENT ISSUES.

5. MINISTERS HEARD AN ORAL PROGRESS REPORT BY AMBASSADOR JOLLES, CHAIRMAN OF THE EXECUTIVE COMMITTEE IN SPECIAL SESSION, ON THE PRESENT AND FUTURE DIRECTION OF WORK IN THIS COMMITTEE, WHICH DERIVES ITS TERMS OF REFERENCE FROM A DECISION OF THE COUNCIL AT MINISTERIAL LIMITED OFFICIAL USE

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LEVEL IN MAY 1972.

6. MINISTERS NOTED WITH SATISFACTION THAT THE DISCUSSIONS THEY INITIATED LAST YEAR ON INTERNATIONAL MONETARY, TRADE, INVESTMENT AND RELATED ECONOMIC ISSUES AND THEIR INTERRELATIONSHIPS HAD BEEN CARRIED FORWARD THROUGH THE WORK OF THIS COMMITTEE. IN PARTICULAR,

MINISTERS NOTED THE WORK OF THE COMMITTEE ON INTERNATIONAL INVESTMENT ISSUES, INCLUDING THOSE RELATED TO MULTINATIONAL COMPANIES, AND INSTRUCTED THE COMMITTEE TO PROCEED WITH ITS WORK, DRAWING UPON THE EXPERIENCE AND RESULTS GATHERED IN OTHER BODIES OF THE ORGANIZATION.

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7. MINISTERS FELT THAT IT WAS PARTICULARLY APPROPRIATE THAT THE COMMITTEE HAD COMMENCED ITS WORK AT A JUNCTURE WHEN IMPORTANT ADAPTATIONS OF ECONOMIC POLICIES ARE NEEDED TO REFLECT CHANGING REALITIES. THROUGH ITS CONTINUED WORK OECD CAN ASSIST MEMBER GOVERNMENTS IN FORMULATING ADEQUATE POLICIES TO MEET THESE CHALLENGES.

POLICIES FOR COOPERATION WITH DEVELOPING COUNTRIES.

8. MINISTERS REVIEWED THE MAIN PROBLEMS OF ECONOMIC COOPERATION WITH DEVELOPING COUNTRIES AND NOTED WITH CONCERN THE PERSISTENCE IN A NUMBER OF THESE COUNTRIES OF WIDESPREAD UNEMPLOYMENT, INADEQUATE FOOD SUPPLIES AND HEAVY INDEBTEDNESS.

9. THEY REAFFIRMED THEIR SUPPORT FOR A CONTRIBUTION OF THE ORGANIZATION AS A WHOLE, ITS SPECIALIZED COMMITTEES AND THE DEVELOPMENT CENTER, TO THE ELABORATION AND

CONCERTED IMPLEMENTATION OF THE POLICIES REQUIRED TO
COPE WITH THESE PROBLEMS, TAKING ACCOUNT OF THE AIMS
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OF THE INTERNATIONAL STRATEGY FOR THE SECOND UNITED
NATIONS DEVELOPMENT DECADE AND OF THE NEED FOR A
CONSTRUCTIVE DIALOGUE WITH DEVELOPING COUNTRIES.

10. MINISTERS INSTRUCTED THE DEVELOPMENT ASSISTANCE
COMMITTEE TO MAKE FURTHER EFFORTS TO INCREASE THE VOLUME
OF DEVELOPMENT ASSISTANCE; TO IMPROVE ITS REAL VALUE,
IN PARTICULAR THROUGH JOINT OR INDIVIDUAL UNTYING;
AND TO ADAPT THE FORMS OF AID TO THE NEED TO FIGHT
UNEMPLOYMENT AND POVERTY.

11. THEY ALSO INSTRUCTED THE TRADE COMMITTEE TO
PURSUE ITS EFFORTS TO FACILITATE THE EXPANSION OF
DEVELOPING COUNTRIES' EXPORTS, AND IN PARTICULAR TO SEEK
WAYS AND MEANS OF IMPROVING THE CONDITIONS OF COMMODITY
TRADE AND TO PURSUE ITS CONSULTATIONS ON THE IMPLEMENTATION
AND POSSIBLE IMPROVEMENT OF THE GENERALIZED SYSTEM OF
PREFERENCES.

ENERGY POLICIES.

12. MINISTERS NOTED A REPORT BY THE SECRETARY- GENERAL
ON THE PROGRESS WHICH HAS BEEN MADE IN THE ORGANIZATION'S
ASSESSMENT OF LONG- TERM ENERGY PROBLEMS. MINISTERS
EXPRESSED THE DETERMINATION OF THEIR GOVERNMENTS TO
INTENSIFY COOPERATION WITHIN OECD ON ENERGY POLICIES.

WORK ON QUALITATIVE ASPECTS OF ECONOMIC GROWTH.

13. MINISTERS NOTED A REPORT BY THE SECRETARY- GENERAL
CONCERNING THE WORK OF THE ORGANIZATION ON QUALITATIVE
ASPECTS OF ECONOMIC GROWTH, TO WHICH OECD HAS PAID
INCREASING ATTENTION SINCE 1970, AND INSTRUCTED THE
ORGANIZATION TO PURSUE ITS EFFORTS IN THIS FIELD.

14. MINISTERS EXPRESSED SATISFACTION, IN PARTICULAR
THAT THE FIRST PHASE OF WORK CONCERNING THE SOCIAL
INDICATORS DEVELOPMENT PROGRAM HAS BEEN COMPLETED, LEADING
TO THE ADOPTION OF A LIST OF SOCIAL CONCERNS COMMON
TO MOST MEMBER COUNTRIES. MINISTERS ALSO POINTED TO THE
CONTINUED NEED TO PLACE ENVIRONMENT POLICIES IN THE
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OVERALL CONTEXT OF ECONOMIC AND SOCIAL POLICY, AND TO

PROPOSE SOLUTIONS AS A MATTER OF URGENCY TO PROBLEMS
OF PARTICULAR INTERNATIONAL SIGNIFICANCE.
END TEXT.
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